

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-04 OPIC-06

CIEP-02 LAB-04 SIL-01 OMB-01 IGA-02 AGR-10 INT-05

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FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 6231

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E.O. 11652: N/A

TAGS: PFOR, PGOV, EAID, DR

SUBJECT: PRESIDENT BALAGUER'S INDEPENDENCE DAY SPEECH

1. PRESIDENT BALAGUER'S SPEECH ON FEBRUARY 27 WAS SET THIS YEAR, THE CENTENNIAL OF FOUNDER JUAN PABLO DUARTE'S DEATH, IN THE CONTEXT OF AN ACCOUNTING TO THE FOUNDER, SHOWING WHAT BALAGUER'S GOVERNMENTS HAVE DONE SINCE 1966, AND MORE SPECIFICALLY WHAT IT DID IN 1975, TO PRESERVE AND EXPAND THE NATIONAL HERITAGE.

2. THE PRESIDENT FOUND THE BALANCE HIGHLY SATISFACTORY, ALTHOUGH NOT WITHOUT PROBLEMS. HE DESCRIBED WITH PRIDE THE GROWING LIST OF PUBLIC WORKS PROJECTS WHICH ARE ADDING TO THE COUNTRY'S WELL-BEING. THE ROADS, CANALS, BRIDGES AND DAMS, HE SAID, WHICH "RAISE THE PEDESTAL OF THE FOUNDER'S FIGURE FOR THE WORLD'S CONTEMPLATION AND REVERENCE" ARE THE BEST CELEBRATION OF THE CENTENIAL. HE FOUND THE ECONOMY EXPANDING SATISFACTORILY, ALBEIT AT A SLOWER RATE THAN IN RECENT YEARS, BUT PROPOSED MEASURES TO REDUCE FOREIGN EXCHANGE OUTFLOW. HE REITERATED THE DR'S FRIENDSHIP WITH THE U.S. AND REAFFIRMED THAT THE COUNTRY'S DESTINY IS TIED

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TO THAT OF THE U.S. WHILE DECLARING THE DR TO BE CURRENT

IN REPAYMENT OF IDB AND IBRD LOANS HE POINTED TO THE PROBLEM OF PL-480 REPAYMENTS, SAYING THAT A MORE REASONABLE SCHEDULE IS NEEDED. THE PRESIDENT TALKED ABOUT CORRUPTION AS A GENERAL PHENOMENON OF OUR TIME, REPEATED HIS DETERMINATION TO RECRUIT YOUNG ADMINISTRATORS FOR HIS GOVERNMENT AND, IN CLOSING, RENDERED HOMAGE TO U.S. LEADERS AND THEIR HISTORIC CONTRIBUTIONS TO THE CAUSE OF HEMISPHERIC FREEDOM. SELECTED HIGHLIGHTS FOLLOW. DETAILS ARE BEING REPORTED BY SEPTELS.

3. ON THE ECONOMY. THE PRESIDENT FOUND THE 1975 RATE OF GROWTH SATISFACTORY, ALTHOUGH IT FELL BELOW THAT OF THE TWO PRECEDING YEARS. AND DESPITE THE HIGH COST OF PETROLEUM, THE EXTENDED DROUGHT AND PROBLEMS OF GENERATING ELECTRIC POWER, THE COUNTRY REMAINS ONE OF THE FASTEST GROWING IN LATIN AMERICA. SOME RESTRICTIVE MEASURES ARE IN ORDER, HOWEVER, TO PRESERVE FOREIGN EXCHANGE.

4. ON CORRUPTION. REFERRING TO THE "PHILIPPIC" OF THE CHURCH ON CORRUPTION IN THE DR, THE PRESIDENT AGREED THAT CORRUPTION IS WIDESPREAD, IS A "PLAGUE OF THE EPOCH" AND IS MORE VISIBLE IN GOVERNMENT THAN OUT BUT HE DENIED THAT "ADMINISTRATIVE CORRUPTION" EXISTS, SINCE HE HIMSELF CONTROLS MOST ASPECTS OF PUBLIC FINANCE, EXERCISING A PERSONAL, DAILY CONTROL OVER THE BUDGET AND PUBLISHING DETAILS MONTHLY IN LEADING NEWSPAPERS. HE DEFENDED THE APPEARANCE OF NEW MILLIONAIRES, SAYING THEY ARE THE NORMAL RESULT OF GROWING SIZES OF CONTRACTS AND OF A GENERAL ECONOMIC EXPANSION.

5. ON HONOR TO THE FOUNDERS. THE PRESIDENT SAID THAT IN ADDITION TO THE COMPLETED TRANSFORMATION OF A SANTO DOMINGO PARK INTO A MEMORIAL PLAZA HONORING THE FOUNDING FATHERS, A STATUE OF DUARTE WILL BE ERECTED IN NEW YORK WHERE THE LARGEST COLONY OF DOMINICAN EMIGRANTS LIVES.

6. ON AGRICULTURE. UNABLE TO COMBAT PERIODIC DROUGHTS, THE GOVERNMENT IS STEADILY EXPANDING AREAS UNDER IRRIGATION. AGRARIAN REFORM HAS ENCOUNTERED RESISTANCE TO COLLECTIVIZATION DESPITE ITS ADVANTAGES FOR PRODUCTION IN GENERAL. THE GOVERNMENT WILL, HOWEVER, CONTINUE TO INSIST ON COLLECTIVIZATION AS THE MOST EFFICIENT MEANS TO INCREASE PRO-

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DUCTION. IN SUGAR PRODUCTION, PRESIDENT BALAGUER SAID HE WILL MOVE TO END "LATIFUNDIA," OR GREAT LANDHOLDINGS, BY A TWO-STAGE PROGRAM, FIRST SETTLING FARMERS ON SMALL CANE-PRODUCING PLOTS THEN PERMITTING THEM TO PURCHASE THE LAND USING INCOME FROM THEIR CONTRACTS WITH THE MILLS.

7. ON MINERAL RESOURCES. BALAGUER SAID THE DR, WISHING TO OPEN DOORS TO FOREIGN INVESTMENT WHILE PRESERVING NATURAL

RESOURCES, MUST PROCEED CAUTIOUSLY. IT MUST ATTRACT PRIVATE CAPITAL WITHOUT BEING LUKEWARM OR APATHETIC IN DEFENSE OF INALIENABLE RIGHTS. ADVOCATING RIGHTS DOES NOT, HOWEVER, MEAN WAGING WAR AND THIS GUIDELINE HAS APPLIED IN RECENT NEGOTIATIONS.

8. ON YOUTH IN GOVERNMENT. APPARENTLY ALLUDING TO FINANCE SECRETARY ALVAREZ BOGAERT AND FORMER FOREIGN MINISTER GOMEZ BERGES, BOTH PUBLICLY LINKED TO EMBEZZLEMENT OF PUBLIC FUNDS, PRESIDENT BALAGUER SAID THAT HIS GOVERNMENT HAS TRIED TO PLACE YOUNGER PEOPLE IN HIGH POSITIONS IN THE ADMINISTRATION BUT THAT NOT ALL OF THEM HAVE MERITED THAT CONFIDENCE. "SOME OF THE OFFICIALS WHO ARE THE MOST CORRUPT, THE MOST UNSCRUPULOUS, THE GREATEST LOVERS OF OSTENTATION AND LUXURY LIVING BELONG PRECISELY TO THOSE GENERATIONS WHERE, BECAUSE OF AGE, IDEALISM AND DISINTEREST IN MONEY SHOULD PREVAIL." HE SAID, HOWEVER, THAT HIS GOVERNMENT PREFERRED YOUNGER ADMINISTRATORS, NOTING THAT MOST OF HIS CABINET MEMBERS ARE UNDER FORTY YEARS OF AGE, AND RESERVED FOR OLDER PERSONS ONLY THOSE POSITION WHERE YOUTHFUL ENTHUSIASM IS NO SUBSTITUTE FOR EXPERIENCE.

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